

Labor tries to Rouse Nation to Crisis, Sees Truman

Tells Wilson Workers' Alarm Over Failure to Stabilize Economy Goes Much Deeper Than Naming Union Man to His Staff

Washington.—The United Labor Policy Committee conferred with President Truman Feb. 19 in an effort to arouse the nation to an awareness of the crisis in defense mobilization.

A 4-man committee outlined in bold

language the desperate plight to which the nation has been brought by the failure of Defense Mobilization Czar Charles E. Wilson and the Congress to carry out a realistic stabilization of prices, rents and establishment of adequate policies on manpower, taxes, small business and labor participation in government.

The committee told Mr. Truman that the only effective action so far is the almost complete freeze on wages which amounts to harsh penalties and restrictions on the nation's workers.

The committee then arranged for conferences with Economic Stabilization Director Walter Reuther, making an effort to have him reject the unfair wage formula voted 6 to 3 by the Wage Stabilization Board. The 3 labor members of the board submitted their resignations to Mr. Truman.

The committee replied to Mr. Wilson's belated invitation of Feb. 16 to nominate a labor leader to be one of his deputies.

The committee said the issue goes far deeper than "merely the appointment of a labor member to Mr. Wilson's staff."

"Developments in wage policy, price policy, taxes, rent control, small business, participation in government, general management of defense mobilization even considerations of defense for wages and salaries," the committee said. Following is the text of the

This will acknowledge the receipt of your letter stating that you suggested at our meeting 4 weeks ago that we should have a trade union representative for appointment to your top policy staff, and that you have been awaiting word from us.

You must know that this is not true. At our meeting with you 4 weeks ago we assured you that we would be able to nominate to you immediately a name or names that would be unanimously recommended by our committee.

You, however, manifested a negative reaction at that time to the idea of a labor man on your top policy staff, and stated only that you would give this matter consideration.

As our letter of Feb. 9 plainly stated, we have been waiting for your answer ever since. At the end of 4 weeks ago, your letter invitation has now been received and will be answered by us immediately.

We would be remiss, however, if we did not restate that the issue is not merely the appointment of an individual to your staff. The issue goes much deeper than that. It is the basic policies underlying the entire defense mobilization program.

The millions of American workers we represent are becoming increasingly dissatisfied with the accumulating evidence that our defense mobilization program is not being built upon the principle of the equality of sacrifice. Instead we find it reflects only the philosophy of "get it done."

Our recommendations on manpower have been received by you. Our protest of Feb. 9 has even been acknowledged. Developments in wage policy, price policy, taxes, rent control, small business participation, and the management of defense mobilization have shocked all Americans who work for wages and salaries.

At the heart of this mobilization labor offered its full and wholehearted support. It is the right of every citizen to the right of freedom. However, we are convinced that America will not be able to obtain the maximum work and maximum results unless the basic policies and the basic atmosphere of the defense mobilization program are brought into line with the principles of the equality of sacrifice and democratic participation.

PROTEST 'SHOCKING' TREATMENT OF LABOR—Washington.—Cochairmen United Labor Policy Committee tell newsmen about the statement sent to President Truman setting forth in detail the reasons why defense stabilization has been piled on the small working man and woman without equal representation in Big Business complete control of the Defense Mobilization Program. L. to R.: AFL President William Green, Machinery President A. J. Hayes, CIO Secretary-Treasurer James B. Carey (for CIO President Philip Murray) and Railway Labor Executive Association President George E. Leighty.

Labor Charges Wage Formula Unworkable; Urges Rejection

Washington.—Labor members of the Wage Stabilization Board filed a dissenting opinion Feb. 20 charging that the proposed Regulation 6 adopted by so-called public and industry members is "unjust, discriminatory and unworkable."

They said in the document approved by the United Labor Policy Committee representing 15 million organized workers, that the regulation: 1. Places the primary burden of sacrifice involved in current mobilization efforts on only one segment of the population, those who depend upon wages and salaries for a living.

2. Fails to recognize the wage provisions of existing collective bargaining agreements but will upset many existing contracts.

3. Makes no provision for handling disputes arising over the application and interpretation of this or any other regulation issued by the Wage Stabilization Board.

The public-industry clique voted the formula which would limit wage increases, including pensions, holidays, welfare plans and other fringe benefits, to 10 percent above Jan. 15, 1950. This general policy was hedged in by harsh restrictions which would invalidate many existing contracts.

Following is the text of the preamble of the dissenting opinion which was accompanied by a section-by-section criticism of the harsh and restrictive provisions of the regulation. Regulation No. 6 as adopted by the public and industry members of the Wage Stabilization Board is unjust, discriminatory and unworkable.

It should be rejected by the Economic Stabilization Administrator.

The board has plainly ignored the basic principles which should govern its policy determinations. Congress set forth these principles in the Defense Production Act.

Section 401 of that act specifically declares that, in stabilizing price and wage stabilization, it is the intent of Congress to achieve the following objectives:

To stabilize the cost of living for workers and consumers; to protect consumers, wage earners and others from undue impairment of their living standards.

To prevent economic disturbances, labor disputes, interference with the effective mobilization of national resources and impairment of national unity and morale.

To protect the national economy against future loss of sound production and the present dissipation of individual savings.

This section places special emphasis, finally, on the maintenance and the importance of the national system of competitive enterprise, the maintenance and furtherance of a sound agricultural industry, the maintenance and furtherance of sound working relations, including collective bargaining,

and the maintenance and furtherance of the American way of life. These many different objectives set forth in the Defense Production Act emphasize that wage stabilization is intended to be only one prong of a many-pronged attack on inflation in a highly complex and integrated economy. The board was not ignorant of the proper role of wage stabilization. In fact, its Dec. 18, 1950, statement on the "place of wage policy in the prevention of inflation" is an excellent summary of the problem. "It is necessary," the statement declared, "to place the wage and salary stabilization function in proper perspective and to assess adequately the nature and extent of the contribution it can make to the anti-inflation drive."

The statement sets forth 3 major types of measures necessary to increase the volume of essential production: (1) measures to increase the volume of essential production; (2) measures to minimize the volume of money and credit in circulation; and (3) measures to control specific areas of the economy.

Wage stabilization was listed as one of the 18 types of action necessary. Moreover, the board recognized that wage stabilization "will not by itself attack inflation at its source." The board stated, further, that it was necessary to achieve "an equality of burden and sacrifice among groups and individuals."

Regulation No. 6 adopted by the public and industry members of the board deliberately ignores these basic principles, first enunciated in the Defense Production Act and subsequently unanimously agreed upon by

the members of the Wage Stabilization Board.

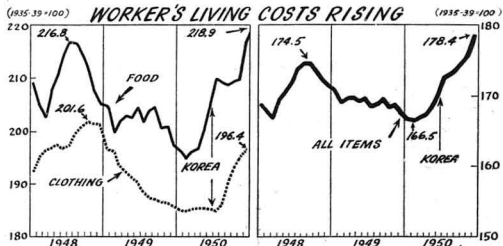
It ignores the "equality of burden and sacrifice" to which the board subscribed in its Dec. 18 statement. The restrictive and harsh provisions of the regulation, in effect, place the primary burden of sacrifice involved in current mobilization effort on only one segment of the population, those who depend upon wages and salaries for their living.

There is no single provision in the regulation which is responsible for this result. Rather, the entire tenor of the regulation is one of harsh restriction. No flexibility is permitted in applying its provisions. No arrangement is made for handling cases involving hardships, inequities or substandard.

The net result is a series of restrictions which, in effect, continues the wage freeze and makes wage stabilization the basis of the anti-inflation drive. The board has done this while knowing that the basic causes of inflation have not yet been seriously attacked.

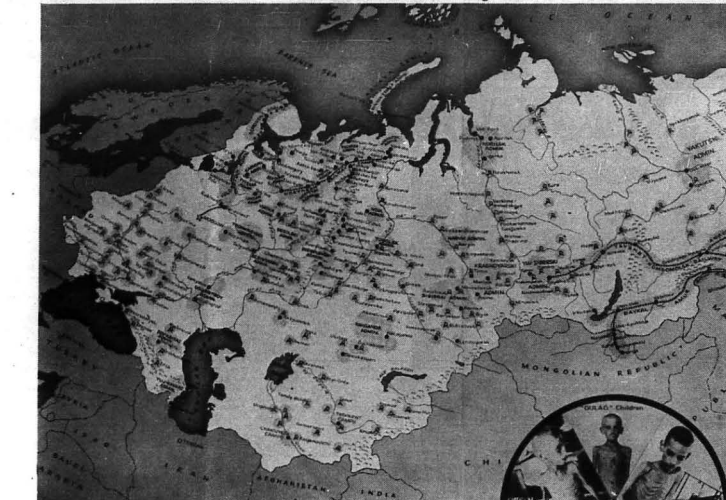
Prices are still rising rapidly, although allegedly frozen; profits, although fantastically high, are being guaranteed; an equitable tax program for the period has been adopted. This list could be greatly lengthened but it is enough to say that none of the 17 measures, aside from wage stabilization, deemed necessary by the board, has been effectively implemented, and some are not even in preparation.

The regulation disregards the mandate by Congress that wage stabilization



Washington.—Here is graphic demonstration of why government's harsh 8 percent pay freeze February would leave workers still far behind in the race to keep abreast of the cost of living. Food prices have risen 26 percent, clothing prices 6 percent, and cost of living 7 percent to new all-time peak between February and December 15, 1950.

Russia's Slave Labor Camps Hold Fourteen Million



New York.—The AFL Free Trade Union Committee offers \$1,000 reward for evidence disproving that Soviet Russia maintains the slave labor camps shown on this map.

The 175 penal camps shown here are operated by GULAG, the Soviet Slave Labor Trust, or Department of Penal Labor Camps. There are over 14 million forced laborers who are

employed in construction and maintenance of roads, railways and canals; in coal, iron, gold and other mines; in building airfields and underground installations; timber and pulp industries; brick-works, quarries, fisheries, canneries, tanneries, manufacture of wood products, construction of fortifications, harbor works and other military projects.

The insert shows children upon release from these Soviet concentration camps.

Every eight years the total population of these camps perishes and is constantly replenished with prison manpower. This state monopoly in expendable human flesh is a chief source of revenue for the Soviet regime. All the territory controlled

by GULAG, if consolidated, would make a submerged empire the size of Western Europe.

Nearly 14,000 affidavits assembled by the high command of the Polish army during the last war served as the basis for this map, supplemented by recent data supplied by the New York Association of Former Political Prisoners of Soviet Labor Camps and

by the American Federation of Labor consultants to the Economic and Social Council of the United Nations.

The AFL Free Trade Union Committee is offering copies of this map, 16 by 21 inches, free to local unions for posting in meeting halls. Copies may be obtained by writing the Free Trade Union Committee, American Federation of Labor, 1710 Broadway, New York 19, N. Y.

Musicians Win Right Under T-H To Seek Jobs Employers Withhold

Washington.—The National Labor Relations Board by a close 2-1 vote upheld the right of trade unions to seek job opportunities which employers don't want to grant or are withholding.

The decision was handed down in the dispute between the AFL, American Federation of Musicians Local 24 and the Palace Theatre, Akron, Ohio.

Local 24 had demanded that whenever the Palace booked a traveling name band it would guarantee employment of the local orchestra in some proportion to the number of engagements of traveling bands. No agreement having been reached with the local when the theater engaged Roy Acuff's show in July 1949, Acuff declined to appear. The theater filed unfair labor charges of "featherbedding" against the Musicians under the Taft-Hartley law.

That provision of the act forbids a labor organization from demanding that an employer pay for services not performed.

Board members Abe Murdock and Paul L. Styles ruled the provision did not apply in the Akron case because the Musicians were not seeking any payments for services not performed or not to be performed.

Henry Kaiser, general counsel for the Musicians in making the argument which won the Labor Board's reversal of its trial examiner who had found the union guilty, said:

"The issue here is simple enough. A union was looking for jobs for its members, jobs at which the members were ready and willing and able to work."

"The employer refused to give those jobs as was his right, because he thought it uneconomical or detrimental to his business profits. There is nothing novel or unique about this issue. It is as old as trade unionism itself and will continue so long as we enjoy our free enterprise system."

"And a fundamental part of that system is the right of free people by lawful, nonviolent means, to seek and obtain jobs in the face of employer resistance to granting such jobs."

Mr. Kaiser told the board that failure to rule for the union "would undermine the very foundations of trade unionism which has no more primary function than to seek and obtain job opportunities for its members."

"Construction of this section (8 (b) (6)) which prohibits effective union efforts to expand employment opportunities for its members would strike a fatal blow on such historic trade union practices as strikes to reduce hours, to obtain overtime rates, in opposition to speed-ups, to resist mechanical displacement, to obtain vacations and rest periods, and many others, all of which may be motivated in part or in whole by a desire to obtain more jobs which the employer is not willing to give."

Price, Defense News Services Offered

Washington.—Two new news services are offered labor editors. The Public Information Section of the Office of Price Stabilization, Economic Price Stabilization Agency, is furnishing available general information, including background material, to labor publications. This is a special service, which will be sent weekly upon request to editors of publications who write a "Year in Review" request should be sent in promptly to: Labor Desk, Information Section, Office of Price Stabilization, ESA, H-172 Temporary E Building, Washington 25, D. C.

"The Industrial Services Branch of the Department of Defense, Office of Public Information, has just issued its first 'clip and paste' for management and labor. To get on the list, write Industrial Services Branch, Office of Public Information, Office of the Secretary of Defense, Room 2-5776, the Pentagon, Washington 25, D. C."

LET'S PRACTICE GOOD HUMAN RELATIONS



BROTHERHOOD WEEK

Sponsored by The National Conference of Christians and Jews

South Bend Wins Brotherhood Nod

New York.—The city of South Bend, Ind., won the 1951 Community Human Relations Award, annually presented by the National Conference of Christians and Jews to an American city "for outstanding improvement in relations among its religious and racial groups."

This is the third year of this award, which was won in 1949 by the twin cities, Minneapolis and St. Paul, and in 1950 by Portland, Ore. Dr. Clinchy pictured South Bend as a typical American city "heavily industrial" with the usual categories of

racial and religious groups found in our industrial centers. It has a population of approximately 120,000. Of these there are about 42,000 Roman Catholics, 30,000 to 35,000 Protestants and 2,500 Jews. Its negro population is approximately 5 percent. It also has, Dr. Clinchy said, "a considerable concentration of first and second generation Americans whose parents or grandparents were largely Polish, Hungarian, Belgian, French and German."

He hailed the city for its "forward steps" in maintaining harmony and good will among its diverse racial and religious groups.

DESERT UMW FOR AFL

Knoxville, Tenn.—Employees of the Tennessee Marble Co. deserted District 50 United Mine Workers when they voted unanimously to transfer their affiliation to the American Federation of Labor.

Labor Press Club Formed in Chicago

By DAN SMYTH
Chicago Correspondent AFL News Service

Chicago.—The growing size and influence of the labor press was demonstrated strikingly with formation of a Chicago Labor Press Club.

The club was constituted at a dinner and organizational meeting in the Bismarck Hotel, attended by 28 representatives of labor newspapers, magazines, radio station WCFL, and labor writers of the metropolitan daily press.

Eugene Moore, editor of the Butcher Workman, was elected chairman. Other officers elected were Irwin E. Klass, editor of the Federation News, secretary-treasurer; Helen Duncan, editor of the Illinois Labor Bulletin, recording secretary; and Bernard Johnson, editor of the Pioneer, organ of the post office clerks' local, vice chairman.

Officers were empowered to draw up a constitution for approval at the next meeting. A proposal to exclude labor writers of the metropolitan press from membership was overruled after strenuous objection from Robert Lewin, Chicago Daily News; George Hartman, Chicago Tribune, and Meyer Goldfarb, Chicago Herald-American.

Mr. Klass said the club will arrange panel forums, addresses by prominent speakers on labor matters and other programs of interest for future meetings.

At their organizational meeting, the club members were entertained by a 17-minute sound movie in technicolor, produced by the Amalgamated Meat Cutters' Butcher Workman.

The movie narrates the history of the union from its founding in 1897 and describes the work of the oyster shuckers, pig stickers, sheep shears, chicken pickers and others in the great industry of the union's jurisdiction.

Through the picture winds the narrative of the organization's growth and the improvements it has gained for its members.

Copies of the film are for rent through the international office for showing at union meetings, schools, clubs and civic groups.

MARSHALL O. K.'S UNION SHOW

U. S. Labor Offices
Handle Pay QueriesDetailed Criticisms Given
of Proposed Wage Order No. 6

Washington.—The so-called public and industry members of the Wage Stabilization Board voted Feb. 15 over labor members' opposition a proposed Regulation No. 6 entitled "General Wage and Salary Policy," setting up of 8 sections, which would freeze wages at 10 percent above their Jan. 15, 1950, level, including such benefits as pensions, holidays, vacations.

The proposed order cannot become effective until Stabilization Director Eric Johnston approves it. Labor members of the wage board, who resigned Feb. 16, filed a dissenting opinion criticizing the order section by section, and asked Mr. Johnston to reject the order. Following is a condensation of the specific labor objections to the order:

Section 1—Statement of Considerations

It is significant that in the Statement of Considerations contained in General Regulation No. 6, the board has not seen fit to give any weight to the concept of equality of living which stood so prominently in its memorandum of Dec. 16, 1950, which set forth the place of wage policy in the prevention of inflation.

In the Statement of Considerations, too, the board majority takes the indefensible position that the problem of time inequities in catching up with living costs can be dealt with by a mere cost of living formula.

Increases negotiated during the past year or so reflected many other factors in addition to changes in living costs. Great advances in productivity occurred in the post-war period and those were an important consideration in wage negotiations last year. The enormous profits of American corporations was another element which shaped the 1950 settlements. The adoption of a mere cost of living formula for those workers who did not have any or ample equity in the productivity gains of 1950 is obviously inequitable. The order which it definitely just their wages in 1950 is to permit workers to "catch up," which the board majority proposes to do for the purpose of its wage policy.

Section 2—Policy

The general policy set forth in Section 2 of this General Regulation is unjust and unworkable.

It will upset important collective bargaining agreements in many industries which were negotiated in good faith long before the Defense Production Act was enacted or the Wage Stabilization Act was even created. These agreements have brought a large measure of stability in many industries, and the stability is now threatened.

Having adopted a minimal figure of 10 percent to begin with, the board majority then proceeded to narrow the avenue of future general wage adjustments.

Furthermore, the regulation proposes to use the new and revised Consumers Price Index of the Bureau of Labor Statistics as a basis for reviewing the percentage figure. Contracts affecting over a million workers will be abrogated by the proposal to prohibit the use of any but the revised index. Industrial unrest must inevitably follow.

Although the regulation is supposed to be concerned with devising a general wage and salary formula, the board proposal also provides that fringe increases in nonwage or so-called fringe benefits such as vacations, paid holidays or the like must also be offset against the 10 percent figure.

This proposal to have fringe wage items as part of the general formula is totally unworkable.

Section 3—Base Pay Period

The base pay period specified in the regulation as Jan. 15, 1950, is completely irrelevant to the considerations upon which this regulation is based. It has no relation to the broad changes in economic conditions described in the Statement of Considerations of the regulation. The use of an appropriate base period for this purpose would be the only way in the Defense Production Act of 1950. This is the obvious one and it is difficult to understand the reason for the departure from it.

The definition of the term General Increase in Paragraph (d) as "those which raise straight time earnings by one percent or more" is unrealistic and unduly restrictive.

Section 4—Administration

The last sentence of this section lays the groundwork for providing separate machinery and treatment for

the salaries of executives and administrative employees.

Section 5—Abnormal Base Pay Periods

This section does not adequately or clearly provide for the adjustment of 8 inequities which the formula emanated by the majority of the board has frozen into the wage structure.

In considering this section, it is important to remember that the formula proceeds from the invalid assumption that, as of the base date, there were no inequities in existence and that the only inequities which have subsequently arisen are those attributable to increases in the cost of living.

Section 6—Rare and Unusual Cases

The board majority has hedged its provision for adjustments that are required by manpower needs with so many limitations, restrictions and qualifications that, for all practical purposes, it is rendered ineffective. This is another area in which the board has set standards to the intent of Congress that wage stabilization should be achieved "with effective mobilization of national resources."

Furthermore, the board majority has utterly ignored the formula embodied in the Defense Production Act, wherein it is stated that wage stabilization should provide for such adjustments as are deemed necessary "to prevent or correct hardship or inequities." We deem it of the gravest import that the board majority rejected the proposal by the labor members that this language of the Defense Production Act be incorporated in its wage policy.

Section 7—Further Study

In this section, the board majority provides for future study of the questions of health and cost of living. Meanwhile, they are frozen and the formula requires that allowable increases which may be negotiated in the future must be offset against the 10 percent figure.

Pension, health and welfare plans are clearly noninflationary. However, the order is silent regarding many other types of economic benefits negotiated in collective bargaining, such as vacation and holiday allowances, severance pay, premium payments and the like. These provisions have no significant inflationary effect. We believe that employers should be free to negotiate, and make effective, agreements including such provisions without prior board approval, providing copies of these agreements are made available with regular board procedure.

SCHOLARSHIPS

San Francisco.—The California State Federation of Labor announced its first annual scholarship award for deserving high school students.

C. J. Hagerity, executive officer of the state AFL, stated that 3 scholarships of \$250 each are being offered to senior high school students planning to attend a 4-year college or university during the coming academic year.

HOUSING CREDITS

Washington.—A pamphlet, "Facts About Housing Credit Controls—1 Through 10," published by the Housing and Home Finance Agency, is available to the public. The pamphlet contains detailed information on the existing credit controls on housing.

Smith Wants to Change
Rules on Soldiers

Washington.—The Associated Press reported that "strong sentiment was expressed in the House of Representatives today for a new or a tough labor law designed to prevent wartime strikes."

The law is sponsored by Rep. Howard W. Smith, Democrat from Virginia, who co-authored the World War II Smith-Connally Anti-Strike bill. The bill would take away all seniority rights and all existing labor agreements which would entitle workers to any other form of work stoppage which the President, by proclamation, says would be harmful to the national defense program.

While the soldiers are away fighting for a free America, characters like Smith want to change the rules for living in the great land the GIs are defending. Smith and his kind wrap themselves in the American flag to attempt to get passage of this law or a similar act, remember what they are actually doing is shipping away some of the freedom which workmen's sons are dying to protect on the battlefield.

—(AP Wire)—

General George G. Marshall, Secretary of the Department of Defense, accepts plans for exhibits of the armed forces in the 1951 AFL-Union Industries Show to be held in Chicago's mammoth Soldier Field, May 15-26. Making the presentation is Ray F. Leheny, director of the show. In addition to the armed services displays, some 600 industries will show products of union labor craftsmen at the annual exposition.

Green Tells Congress Workers Bear
Brunt of Mobilization Burden

Washington.—The American worker is bearing a disproportionate share of the fight against inflation, AFL President William Green told Congress.

His views were set forth in a letter to Sen. Joseph C. O'Mahoney, chairman of the Joint Committee on the Economic Report, accompanied by a memorandum of the economic decisions made by the 1950 AFL convention, the ex-

Wage Answers
Available

Washington.—A series of questions and answers on the most important points of interpretation that have been raised under the 5 general regulations issued by the Wage Stabilization Board was released Feb. 15.

W. Willard Wirtz, executive director, said that hundreds of queries asking for rulings on particular points in the 5 regulations have been received in the past 2 weeks. This set of questions and answers is designed to assist persons who have basic problems under the regulations and to indicate the pattern of rulings to date.

The set of answers is also being forwarded to the regional and district offices of the Wage and Public Contracts Division of the U. S. Department of Labor, which are currently making inquiries for the board. Mr. Wirtz urged companies and unions to take these questions to their regional offices instead of calling or writing to the National Board in Washington.

Executive council, and steps taken by AFL officials to implement those decisions. Mr. Green wrote:

"I cannot emphasize too strongly how seriously the American Federation of Labor regards the current situation. After a realistic appraisal of current economic developments I can only conclude that the American worker is expected to carry a disproportionate share of the fight against inflation."

"We find, for example, that under the Defense Production Act government has unlimited and effective powers over the worker's income. On the other hand, under the same act, the government's powers over the worker's food and services the worker has to buy are limited and substantially less effective. Food prices, in particular, cannot be subject to effective price control. Control over rents at the present time is only partially effective."

"On top of this burden, the worker is expected to pay substantially higher taxes while, at the same time, lose jobs in our present tax structure are likely to remain open for use by higher income families and corporations."

"It is my earnest hope that your committee will render a most vigorous and forthright report covering this entire situation."

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AFL NEWS SERVICE

Washington, D. C.

Published Tuesday With Supplement on Friday

Entered as second-class mail September 10, 1912, at the Post Office at Washington, D. C., under the Act of August 24, 1912. Acceptance for mailing at special rate of postage provided for in Act of October 3, 1917, authorized on condition of delivery of copies to the postmaster.

The A. F. of L. Weekly News Service gives news accounts and editorial interpretations of matters affecting labor occurring in the industrial, legislative, and judicial fields, and contains a complete summary of the trade union movement.

Distributed Free to Beneficial Labor Press

Whole No. 2080

TUESDAY, FEB. 20, 1951

Vol. 41, No. 8

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